

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF WATER

MUNICIPAL GRANTS & LOANS PROGRAM

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<http://www.dec.state.ak.us>

December 31, 2008

Dear Alaskan:

The Alaska Department of Environmental Conservation's **Alaska Drinking Water Fund (ADWF)** loan program is requesting questionnaires for projects to be placed on the State's Fiscal Year 2010 Intended Use Plan. The ADWF program provides loans up to 100% of project costs to municipalities and eligible entities that can finance designs, plans and construction for the following type projects:

Project Types

- | | |
|-------------------------------|-----------------|
| • Reservoirs – Storage | • Compliance |
| • Transmission / Distribution | • Equipment |
| • Treatment Plants | • Public Health |
| • Well Rehabilitation | • Security |

Program terms and interest rates at this time for 5 to 20 year term and 1 to 5 year term loans are 1.5% and 1%, respectively.

Unique to this year's solicitation process is the potential of receiving additional funding in the ADWF program from a federal economic recovery package that is currently being reviewed by congress. These funds are anticipated to become available to State Revolving Fund (SRF) programs by the end of January; however, although these funds are eligible for ADWF projects, they do have added conditions beyond other funds used in the program for loans. For use of recovery funds in the program, congress has asked State SRF programs to commit these funds at an expeditious rate. Once our State's ADWF program receives the recovery funds, we will have between 120–180 days to commit the funds to a project. In addition, these projects will need to be ready to proceed, or otherwise have construction started no later than Spring 2010.

To help facilitate the utilization of these recovery funds for projects, we ask that communities that have phased projects in the past consider requesting the total project amount under one loan. Additionally, on large scale projects that might traditionally be capitalized through bonding, we ask that consideration be given for using the ADWF funds instead. However, if your project is for design or will not be ready for construction in 2010, the ADWF will still have other funds available for these types of projects. When submitting a questionnaire for a potential project, please indicate in the project description of the questionnaire

whether or not you would like to have your project considered for these recovery funds. Again, a loan commitment would need to be done in a short time, most likely no later than November 2009, and construction would need to begin by Spring of 2010. Additionally, projects financed with these funds will be allowed immediate funding regardless of questionnaire scoring, and if allowed under the economic recovery funding Bill, a loan subsidy (discounted interest and principle) may also be offered. If you have further questions on the economic recovery funding, please contact me at (907) 269-7616.

The project questionnaire can be filled out and submitted electronically. Enclosed is a guidance document that will help you navigate through the necessary steps to complete the on-line questionnaire. Access to the on-line questionnaires may be found at the following link:

<http://www.dec.state.ak.us/water/muniloan/onlineQuestionnaires.htm>

Please complete and submit a questionnaire for each project you wish considered for funding assistance under the loan program. If you encounter difficulties accessing or completing the on-line questionnaire, please contact Ben Shier in Juneau at 465-5337 for assistance.

Completed questionnaires must be received no later than **5:00 p.m. February 9, 2009** to be considered for funding. Questionnaires received early place higher in the ranking order than questionnaires with the same score that are received later.

If you have questions about the program or need technical assistance in filling out the questionnaire, feel free to contact me in Anchorage at 269-7616.

We look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mike Lewis", with a stylized flourish at the end.

Mike Lewis
Program Manager

Enclosures: SFY10 On-Line Questionnaire Guidance Document